

## **Drogheda Credit Union Mortgage T&Cs and Variable Rate Policy Statement**

### **Standard Mortgage – Variable Rate Terms and Conditions**

Borrow: €50,000–€500,000

Term: 5–35 years

Interest Rate: 3.9% (APR 3.97% Variable)

Available on Principal Private Residence or self-build property

Applicants aged 18–65 (final repayment by 70)

First Time Buyers:

LTI: 4x gross income

LTV: up to 90%

Deposit: 10%

Second & Subsequent Buyers:

LTI: 3.5x gross income

LTV: up to 90%

Deposit: 10%

Switcher mortgages exempt from LTI & LTV limits

### **Green Mortgage Product – Variable Rate Terms and Conditions**

Borrow: €50,000–€500,000

Term: 5–35 years

Interest Rates:

- 3.30% (APR 3.35% Variable for LTV ≤80%)

- 3.40% (APR 3.45% Variable for LTV ≤80%)

APR: 3.35% / 3.45% (based on €250,000 over 35 years)

Applicants aged 18–65 (final repayment by 70)

Loan Amounts:

Minimum €50,000 | Maximum €500,000 (exceptions subject to policy limits)

Minimum loan increase: €40,000

Loan Purposes:

- Purchase of PPRs (FTB & non-FTB)
- Re-mortgage of PPRs
- Equity release for home improvements
- Consolidation of home improvement loans

Loan to Income:

- 4x gross income for First-Time Buyers

- 3.5x gross income for Second & Subsequent Buyers

Loan to Value:

- Up to 90% for all buyers

Eligibility:

BER A1-B3 new homes or B3+ post retrofit, or certified renewable upgrades

Security:

First legal charge over PPR, mortgage protection insurance, house insurance noted

Repayment: Monthly capital & interest by Direct Debit

Maximum borrowers: 2

### Employment & Documentation Requirements

Employees must be in permanent employment for more than 6 months and have successfully completed probationary period, earning Euro income.

Self-Employed must be self-employed for a minimum of 3 years.

### Documents Required

#### Employees

|  |   |
|--|---|
| 3 months up to date consecutive payslips   | 6 months bank statements of all bank accounts |
| Employment Detail Summary for last 3 years | 6 months credit card statements               |
| Salary Certificate                         | 6 months loan account statements              |

#### Self-Employed

|  |  |
|--|--|
| 3 years audited/trading accounts certified by accountant               | 6 months bank statements of all bank accounts                          |
| Confirmation of your tax position from your accountant                 | 6 months bank statements of all business bank accounts                 |
| Self-Assessment Notice from Revenue Commissioners for the last 3 years | 6 months credit card statements for personal and business credit cards |
| E-Tax Clearance Certificate  | 6 months loan account statements                                       |

**Switcher Applicants:** must provide a recent mortgage statement for at least 6 months and a letter of redemption from their existing mortgage provider.

Members must have demonstrated repayment capacity through savings history, recently cleared lending facilities or rent payment history.

## **Drogheda Credit Union Mortgage Variable Rate Policy Statement**

**Warning:** The interest rates on our mortgages are variable and may change in the future, affecting the cost of your monthly repayments. Changes will be made in accordance with the terms and conditions of your mortgage agreement.

**Purpose of This Statement:** This document outlines the factors the Credit Union considers when setting variable interest rates for mortgage loans, ensuring our members understand the mechanisms that could impact their financial obligations.

### **Factors Influencing Variable Interest Rates:**

- **Cost of funds:** We source our lending capital from member deposits, affecting the interest rates based on the cost of these funds.
- **Capital requirement:** Regulatory standards mandate maintaining a certain capital level, which supports our lending activities and influences interest rates.
- **Loan default risk:** Reflects the likelihood of members failing to meet repayment obligations, necessitating compensatory measures in our interest rates.
- **Operational costs:** Includes day-to-day expenses related to running of the Credit Union such as staff salaries, administrative costs, and infrastructure upkeep.
- **Expected returns:** Targeted returns required to sustain our operations and ensure the viability of our mortgage offerings.
- **Market competition:** External economic factors including market trends, competitor strategies, and changes in consumer preferences that may necessitate rate adjustments.

### **Policy for Interest Rate Changes:**

Interest rates are evaluated regularly by our Board of Directors, who uses comprehensive market analysis to make informed decisions. Any changes to the interest rates are deliberated based on the current economic environment and sector-specific conditions, ensuring that our decisions are thoughtful and justified.

### **Notification of Changes:**

Should there be a need to adjust the interest rates due to the aforementioned factors, members will be notified promptly through clear communications detailing the nature and reason for the changes. Updated policy statements will be published on our website to maintain transparency.

**Exploring Your Options:**

Members are encouraged to regularly review their mortgage terms. Alternatives or lower interest rates might be available, depending on individual circumstances and prevailing market conditions.

**Contact Information:**

For further details about our mortgage products, or to discuss potential options, please visit our website at [www.droghedacu.ie](http://www.droghedacu.ie) or call us on 041-9838496, or visit your local branch.

**Risk Warning:**

YOUR HOME IS AT RISK IF YOU DO NOT KEEP UP PAYMENTS ON A MORTGAGE OR ANY OTHER LOAN SECURED ON IT. PAYMENT RATES ON THIS HOUSING LOAN MAY BE ADJUSTED BY THE LENDER FROM TIME TO TIME BASED ON CHANGES TO THE VARIABLE RATE POLICY.